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Prime Minister's schedule, April 30

NIKKEI (Page 2) (Full)
May 1, 2009

Morning Inspected Capital Steel, a steel maker in Beijing.
Afternoon Interview to Chinese Central Television. Met with President Hu Jintao in the Great Hall of People. Gave press briefing to Japanese and foreign reporters at The St. Regis Beijing.

Evening Left Beijing Airport by government plane.

Japan time

23:44 Arrived at Haneda Airport.

May 1

0:22 Arrived at the official residence.

4) JCP Chairman Shii meets U.S. Charge Zumwalt, hands over letter to President Obama calling for start of international negotiations toward "world with no nuclear weapons"

AKAHATA (Top play) (Excerpt)

May 1, 2009

Japanese Communist Party (JCP) Chairman Kazuo Shii met yesterday with the press in the Diet to announce that in response to a recent speech by U.S. President Obama in which he had called for the elimination of all nuclear weapons from the world, he had sent a letter to President Obama urging the start of international

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negotiations aiming at the signing of an international treaty abolishing nuclear weapons. He then released the contents of the letter. Chairman Shii visited the U.S. Embassy on April 28 to meet with Charge d'Affaires ad interim James Zumwalt and hand over the letter.

5) JCP Chairman Shii sends letter to President Obama expressing heartfelt welcome of his speech calling for nuclear-free world

SANKEI (Page 5) (Full)

May 1, 2009

Japanese Communist Party (JCP) Executive Committee Chairperson Kazuo Shii indicated in a press conference yesterday that he had sent a letter to U.S. President Barack Obama expressing his heartfelt welcome of the President's call for a nuclear-free world in his Prague speech on April 5. According to Shii, this was "probably the first time" for the JCP, which basically takes an anti-U.S. policy stance, to positively evaluate a U.S. response.

The letter notes this about the Obama speech: "The United States, the country possessing the most nuclear weapons, indicated clearly for the first time that it will aim at the abolition of nuclear weapons." It also says: "We strongly ask President Obama to demonstrate an initiative to conclude an international treaty on the abolition of nuclear weapons."

Shii visited the U.S. Embassy (in Tokyo) on April 28 and handed the letter to Charge d'Affaires ad interim James. P. Zumwalt. The Charge reportedly said: "This is an important letter. We will deliver it to the White House without fail."

6) Japanese, Chinese leaders agree on cooperation on new type of flu prevention

ASAHI (Page 4) (Full)

May 1, 2009

Katsuhisa Kuramae, Toru Higashioka, Beijing

Prime Minister Aso and Chinese President Hu Jintao agreed in a meeting on April 30 that the two countries should cooperate to prevent new strain of influenza (swine flu) from spreading further. In the meeting held for about one hour at the Great People's Hall in Beijing, the two leaders also confirmed the need for joint efforts to overcome the ongoing global economic crisis. Aso emphasized: "The two countries can take the initiative to turn around the economy by taking economic stimulus measures."

Aso said of the new type of flu: "The two countries should fully cooperate in dealing with (the flu epidemic), given the serious situation." Hu replied: "Japan and China can cooperate as they are neighbors and have the risk of infection spread from person to person." In a press conference after the meeting, Aso called on the Japanese people to remain calm, saying: "The government will take thorough measures, for example, giving accurate information and

taking full countermeasures at borders."

In the meeting, Hu referred to the history issue, bearing in mind Aso's recent sending of an offering to Yasukuni Shrine, as Premier Wen Jiabao did on the previous day, saying:

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"It is imperative for the two countries to appropriately resolve friction, contradictions, and differences in opinion arising in the process of developing bilateral relations. It is particularly important to properly dispose of the history issue and develop a strategic mutually-beneficial relationship."

In response, Aso said that the government has taken the view expressed in a statement issue by then Prime Minister Tomiichi Murayama in 1995 and a statement by then Prime Minister Junichiro Koizumi in 2005. In these statements, the prime ministers apologized and expressed remorse for Japan's colonial rule and atrocities before and during World War II. He added: "Our position of looking squarely at our history and the future remains unchanged."

In reference to North Korea, which warned it would carry out more nuclear tests and missile launches, Aso and Hu agreed that the two countries should take a cool response. Aso said regarding the presidential statement adopted by the United Nations Security Council following Pyongyang's missile launch in April: "We were able to issue a statement with substantial contents owing to the Chinese government's close cooperation." He added: "The six-party talks are the most practical framework to promote the denuclearization process." Hu said: "The six party talks are now facing a difficult situation, but each country should remain cool and take a restrained attitude. They should try to turn around the tables through dialogue and consultations."

Aso asked for China's cooperation for global nuclear disarmament efforts, saying: "Japan, the sole victim of atomic bombing, highly evaluates the U.S. Obama administration's approach." Hu replied: "We will continue positive efforts to promote nuclear disarmament."

7) Japan, U.S. agree to strengthen cooperation on energy, environment areas: METI minister to visit U.S. today to discuss specifics

NIKKEI (Page 5) (Full)
May 1, 2009

This newspaper has learned that the governments of Japan and the U.S. will strengthen cooperation in the energy and environment areas. The envisioned cooperation will focus on R&D for the introduction of recyclable energies, such as the use of solar energy generation, and technical development at government-affiliated research centers. Economy, Trade and Industry (METI) Minister Toshihiro Nikai, who will visit the U.S. starting on May 1, is expected to reach an agreement with his U.S. counterpart Energy Secretary Steven Chu.

Tokyo and Washington agreed on a basic framework for cooperation in such areas at the bilateral summit in February. Both countries' cabinet ministers for energy affairs will meet and discuss matters for the materialization of the basic framework. Concerning the introduction of recyclable energies, such as the use of solar energy generation, Nikai and Chu are expected to clinch a deal to conduct research into a smart grid electricity supply system, which can adjust supply-demand of electricity in detail.

The National Institute of Advanced Industrial Science and Technology (AIST), an independent administrative agency, and the Los Alamos National Laboratory (LANL) under the jurisdiction of the U.S. Energy Department will cooperate for technical development. Their research

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subjects will include the development of fuel batteries, carbon dioxide (CO2) and nanotechnology. In the nuclear energy area, they

will collaborate in assisting the building of nuclear power plants and extending cooperation to third countries.

Nikai will also meet with U.S. Trade Representative Ron Kirk. They are expected to discuss how to prevent trade protectionism and an early settlement of the multilateral trade talks (Doha Round). Coordination is now under way with the possibility of issuing a joint statement. They will also likely discuss a compulsory certification of information technology security system, which Beijing plans to introduce in May next year.

8) Japan, U.S. to wrap up agreement for nuclear energy cooperation

YOMIURI (Page 9) (Full)
May 1, 2009

The Yomiuri Shimbun learned on April 30 that Tokyo and Washington will likely reach a comprehensive agreement for the peaceful use of nuclear energy. Economy, Trade and Industry (METI) Minister Nikai and U.S. Energy Secretary Chu will announce the plan on May 4. Details of the agreement will be included in a joint statement on bilateral cooperation in the energy and environment areas.

Major elements of the agreement will include cooperation for R&D on nuclear fuel cycle, Japan cooperating for the building of new nuclear power plants in the U.S. on the financial and personnel fronts and both countries collaborating for the building of nuclear power plants in third countries amid a growing trend for the use of nuclear energy.

The governments of Japan and the U.S. share the view that expanding the use of nuclear energy, while securing nonproliferation and nuclear energy safety, will hold the key to settling the energy issue.

9) Government to donate to Mexico medical supplies worth 100 million yen

NIKKEI (Page 2) (Full)
May 1, 2009

The government decided yesterday to donate medical supplies, such as thermographic cameras and masks, to Mexico where infection is spreading. The step is in response to a request from the Mexican government. The aid will total 100 million yen. The government plans to utilize the stockpiles held by itself and the Japan International Cooperation Agency (JICA). A formal decision will be made at today's meeting of the new-type influenza taskforce chaired by Prime Minister Taro Aso.

10) Gov't to decide today on policy measures to cope with new flu

YOMIURI (Page 2) (Abridged)
May 1, 2009

With the first suspected case in Japan of a new influenza strain or swine flu detected, the government will do all it can to prevent it from spreading. The government will hold a second meeting of its new influenza taskforce this morning at the prime minister's office to decide on a course of action, with Prime Minister Aso presiding.

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The government is going to take countermeasures based on its already formulated action plan for the new type of influenza, Health, Labor and Welfare Minister Masuzoe told a press conference early today. The action plan includes such countermeasures as closing schools and scaling back on business activities. However, Masuzoe indicated that such countermeasures would be left to their own decisions.

According to the action plan, the alert level of a new international influenza strain-when there is a suspected case in Japan-will be raised from the phase of "overseas outbreak" to the phase of "domestic outbreak at an early stage." In response to this raised phase, the action plan specifies counteractions to be taken by the government. At this alert level, the government will ask that

schools close, businesses scale back on their operations, and the public abstain from holding gatherings that are not necessary or urgent.

But the reason why Masuzoe showed the flexible course of action is because the flu's virulence is increasingly believed to be attenuating and also because the counteractions, if implemented as prescribed in the action plan, will have an enormous impact on social and economic activities. The government will forgo such countermeasures as scaling back on business activities at its request as long as there are no signs of mass outbreak.

For the time being, the government is expected to take such countermeasures as readying specialized medical institutions throughout the country for feverish outpatients and isolating suspected patients.

11) Government stepping up efforts to avoid panic situation, following suspected case of new type of flu reported

YOMIURI (Page 4) (Full)
May 1, 2009

A suspected case of the new type of influenza (swine flu) has been reported for the first time in Japan. In response, the government will call a meeting of the special taskforce on new strains of flu, headed by Prime Minister Aso, at the Prime Minister's Office this morning to discuss countermeasures. The government intends to take steps to isolate persons infected with the virus and all those who had contact with the infected persons. To avoid public panic from arising, the government has decided to cautiously study the possibility of imposing restrictions on the movement of persons, such as self-restraint on corporate business activities. It is asking people to remain calm.

According to the revised action plan on new strains of influenza adopted this February, if a person is found infected with a new strain of flu in the nation, the taskforce, composed of the prime minister and all cabinet ministers, will determine what measures basically should be taken, based on views provided by an advisory committee of experts.

The revised action plan includes the following measures to be taken at an early date if an infection is confirmed in the nation: (1) self-restraint on gathering and entertainment activities; (2) cancellation of classes; and (3) reduction in business activities. The original plan placed emphasis on measures at airports and harbors, but the revised plan prioritizes measures to prevent a

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spread of infections in the nation.

Even so, the action plan was worked out on the premised of a highly toxic strain of bird flu. Regarding the swine flu virus, however, many experts take the view that even if persons are infected with the virus, they are expected to have fairly mild symptoms, because the virus is considered to be a "mildly toxic strain."

In the U.S., which confirmed some citizens infected with the flu virus and flu deaths, President Barack Obama called on its people to remain calm, without taking any measures to strictly restrict the movement of persons.

A Japanese government official for the issue made this comment:

"Under the current gloomy economic situation, the U.S. and other countries are worried about their peoples getting into a panic. It is undesirable for Japan alone to take strict countermeasures. The government should implement measures in the action plan in a flexible manner."

12) View gaining ground that outbreak of new type of influenza in country could affect timing of Lower House election

NIKKEI (Page 2) (Full)
May 1, 2009

With a new type of influenza mutated from swine flu spreading across the world, the view is growing in Japan that in the event infections are confirmed in the country, it could impact on the political timetable as well, such as the next House of Representatives election.

The ruling bloc's taskforce against a new type of influenza met yesterday and decided to urge the government to reinforce the medical system to be prepared for a possible pandemic in Japan.

Chief Cabinet Secretary Takeo Kawamura made the following comment regarding the new type of flu during a press briefing yesterday afternoon: "We will not link it to Lower House dissolution, but when a situation actually arises where (election) campaigning cannot be conducted, we will have to think."

The faction headed by Liberal Democratic Party Election Strategy Council Chairman Makoto Koga held a general meeting yesterday in which Koga said: "There might be no dissolution until after the influenza scare is over." The vaccine immunization parliamentary group also met yesterday in which many indicated that an entry of the virus into Japan would not allow the envisaged election to occur.

There is a strong likelihood that once the new type of influenza breaks out in Japan, election campaigning, such as delivering roadside speeches and holding meetings, would be strictly restricted, effectively blocking the Lower House election. Under the Public Offices Election Law, any prefectural election administration committee is allowed to decide to postpone the voting following a major natural disaster. In the 1965 and 1974 House of Councillors elections, some municipalities that were hit by heavy rains postponed the voting for one week.

13) Aso says he will decide when to dissolve Diet, expresses

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eagerness for enactment of antipiracy legislation, consumer agency bill

NIKKEI (Page 2) (Full)
May 1, 2009

Yusuke Nakajima, Beijing

Prime Minister Taro Aso held a press conference in Beijing yesterday. In it, he said: "There is the fiscal 2009 supplementary budget bill, related bills, and various other important bills. They are all extremely important for the people's livelihoods and we must rush (to enact them)." He expressed his eagerness for passage of an antipiracy bill, a consumer affairs agency establishment bill and other bills, in addition to the extra budget bill and the related bills.

Asked if he would not dissolve the House of Representatives for a snap general election until after important bills clear the Diet, Aso simply replied: "I will make the final decision on whether to dissolve the chamber or not."

14) LDP, Komeito puts off setting Constitution panel rules

MAINICHI (Page 5) (Abridged)
May 1, 2009

Noriaki Kinoshita

As a step to amend the Constitution, the Diet must determine rules for starting a deliberative council in the House of Representatives. This procedure, however, will be after the 'Golden Week' holidays. The ruling Liberal Democratic Party and its coalition partner, the New Komeito, wanted to take a vote before May 3 Constitution Day. However, the Democratic Party of Japan (Minshuto) and other opposition parties are strongly opposed to the move. Meanwhile, the House of Councillors remains inactive. Taking such into consideration, the ruling coalition abstained from steamrolling in

the House of Representatives.

The National Referendum Law is set to be fully enforced in May next year. The ruling parties were therefore willing to determine the rules at an early stage. "The absence of rules for the deliberative council is the Diet's failure," said Kenji Kosaka, chairman of the House of Representatives Committee on Rules and Administration. The Rules and Administration Committee, which is to deliberate on the ruling coalition's draft rules, held a hearing on April 27 with former Foreign Minister Taro Nakayama, who presided over the House of Representatives Research Commission on the Constitution. The ruling coalition was to have taken a vote on April 30 to adopt its draft rules and presented the ruling coalition's draft rules to the House of Representatives in its plenary sitting that day.

However, the DPJ demanded a hearing with its lawmaker who vice-chaired the Research Commission on the Constitution. The ruling parties concurred. The Rules and Administration Committee will resume deliberations after the holidays.

15) Chrysler's bankruptcy petition to inevitably affect Japanese parts makers

YOMIURI (Page 9) (Full)

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May 1, 2009

Chrysler's insolvency filing will unavoidably have an impact on the production of Japanese manufactures and related parts makers.

Honda Motor Vice President Koichi Kondo said: "There are several parts companies for which we have to consider our response." Major Japanese automobile manufacturers have increased their production ratios in the United States with improved production efficiency in mind. If parts makers go into chain-reaction bankruptcies due to Chrysler's insolvency filing, Japanese auto manufactures will have to find different part makers.

Nissan Motor Co., too, must reconsider its business partner relationships. Nissan expects to produce compact cars in Mexico, which Chrysler plans to sell in Latin America. Nissan and Chrysler have concluded an OEM agreement, which is effective until 2011. If Chrysler drastically shifts its management strategy to an alliance with Italy's Fiat, there is a possibility that the OEM agreement will be reviewed.

Although Mitsubishi Motors Co. sells pickup trucks in the United States based on an OEM agreement (with Chrysler), the unit sales of pickup trucks have been slow, for example 4,500 units sold in 2008. Mitsubishi, therefore, has decided to put an end to the OEM agreement in 2010 when the contract expires. Mitsubishi Motors President Osamu Mashiko is worried about the cooling U.S. economy due to a loss of consumer confidence and other factors. He said: "(Due to Chrysler's bankruptcy) there is no effect on our management, but the impact on the U.S. market is serious."

In order to avoid loans from going sour, Japanese-affiliated parts makers intend to use the loan guarantee program introduced by the U.S. government.

Akebono-brake Co. and Aishin Seiki Co. have already applied for this program. Denso Co. is now considering using the program as well.

ZUMWALT